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U.S. DISTRICT COURT  
CLERK'S OFFICE

*Attorney for Nicholas J. Santoro and Juanita Santoro as  
Trustees of the Nicholas J and Juanita Santoro  
Family Trust*

UNITED STATES BANKRUPTCY COURT  
DISTRICT OF NEVADA

In re:

USA COMMERCIAL MORTGAGE  
COMPANY,

Debtor.

Case No.: 06-10725-LBR  
Chapter 11

**JOINDER OF NICHOLAS J. SANTORO  
IN SUPPORT IN PARTIAL OPPOSITION  
TO "DEBTORS' PROPOSED CASH  
MANAGEMENT PROCEDURES AND  
INTERIM USE OF CASH IN  
ACCORDANCE WITH PROPOSED  
CASH BUDGET"**


Date of Hearing: May 3, 2006  
Time of Hearing: 9:30 a.m.  
Place: Courtroom No. 1, Third Floor  
Foley Federal Building  
300 Las Vegas Blvd., S.  
Las Vegas, NV 89101

Judge: Hon. Linda Riegle

Nicholas J. and Juanita Santoro, Co-Trustees of the Nicholas J. and Juanita Santoro Family Trust (the "Trust"), by and through their undersigned attorney, hereby join in the GREGORY J. WALCH'S PARTIAL OPPOSITION TO "DEBTORS' PROPOSED CASH MANAGEMENT PROCEDURES AND INTERIM USE OF CASH IN ACCORDANCE WITH PROPOSED CASH BUDGET" filed by Gregory J. and Shauna M. Walch Family Trust (the "Opposition") for the reasons set forth in the Opposition and based upon the attached Declaration

1 of Nicholas J. Santoro in Support of Joinder in Partial Opposition to "Debtors' Proposed Cash  
2 Management Procedures and Interim Use of Cash in Accordance with Proposed Cash Budget".

3 Dated this 1 day of May, 2006.

4  
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# **EXHIBIT 1**

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*Attorney for Nicholas J. Santoro and Juanita Santoro as  
Trustees of the Nicholas J and Juanita Santoro  
Family Trust*

**UNITED STATES BANKRUPTCY COURT**

**DISTRICT OF NEVADA**

In re:

USA COMMERCIAL MORTGAGE  
COMPANY,

Debtor.

Case No.: 06-10725-LBR  
Chapter 11

**DECLARATION OF NICHOLAS J.  
SANTORO IN SUPPORT OF JOINDER IN  
PARTIAL OPPOSITION TO "DEBTORS'  
PROPOSED CASH MANAGEMENT  
PROCEDURES AND INTERIM USE OF  
CASH IN ACCORDANCE WITH  
PROPOSED CASH BUDGET"**

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1. I am an attorney licensed to practice law in the State of Nevada and am a co-trustee of the Nicholas J. and Juanita Santoro Family Trust ("the Trust"). I am submitting this declaration in support of the Trust's Joinder in the Partial Opposition filed by Gregory J. Walch and Shauna M. Walch to "Debtors' Proposed Cash Management Procedures And Interim Use Of Cash In Accordance With Proposed Cash Budget" ("Interim Request"), and make this declaration based upon my personal knowledge.

2. The Trust is a direct lender in five loans (the "Loans") arranged by USA Commercial Mortgage Company ("UCM") between August 2005 and March 2006: Marlton Square, Binford Medical Developers, Gateway Stone, Fox Hills and Copper Sage Center Phase II. In each case,

1 UCM's broker approached the Trust about making a loan to a borrower with real estate to pledge  
2 as security for the loan.

3 3. In each loan transaction, the Trust sent a check to UCM for which the Trust obtained a  
4 receipt; the loan was made to the borrower; the borrower gave a note reflecting the loan from the  
5 Trust; the borrower executed a deed of trust securing the note; and the deed of trust was to be  
6 recorded by UCM.

7 4. I executed on behalf of the Trust a Loan Servicing Agreement between the Trust and  
8 UCM, which provided, among other things, that UCM would collect interest and, if applicable,  
9 principal owed by the borrowers to the Trust on a monthly basis from each of the Loans, charge  
10 a service fee of up to 3% per annum (netting the Trust between 12% and 12.5% yield), and  
11 distribute the payment to the Trust and other direct lenders. Other than the described Loan  
12 Servicing Agreement and accompanying powers of attorney for each Loan (which basically  
13 allowed UCM to foreclose and take other actions consistent with its servicing duties), there was  
14 no other arrangement between the Trust and UCM. The Trust did not invest in UCM, the  
15 affiliated pooled real estate lending funds, or borrowers.

16 4. The Trust does not consent to the Debtor's Interim Request insofar as it seeks to  
17 perpetuate the wrongful commingling, misuse, and possible conversion of lender funds that  
18 brought UCM to this court in the first place. Specifically, the Trust opposes any use of Trust  
19 money held in the DIP Collection Account or other accounts to fund operating expenses of  
20 Debtor or its affiliates as contemplated in paragraphs "f" and "g" of the Interim Request. Having  
21 said that, with proper accounting procedures in place, the Trust has no objection to the Debtor  
22 deducting from the DIP Collection Account applicable Loan servicing fees and the amounts to  
23 which the two UCM affiliate pooled funds may be entitled as fractional payees on the Loan  
24 notes. Everything else collected from borrowers on the Loans prior to and after the petition,  
25 however, is not property of the estate under 11 U.S.C. § 541 and cannot be re-characterized as  
26 such merely because Debtor happens to be the addressee for the borrowers' payments on the  
27 Loans and Debtor thinks it is more expedient to take the Trust's money than obtain appropriate  
28 post-petition financing.

Dated this 1 day of May, 2006.

Nicholas J. Santoro, Esq.